

# Office of Attorney General Terry Goddard



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**FOR IMMEDIATE RELEASE**

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## **Attorney General Seizes \$101 Million, Asks Court to Determine Rightful Owners**

(Phoenix, Ariz. – August 30, 2005) Attorney General Terry Goddard today announced the seizure of \$101 million that may belong to Bayou Management, a Connecticut-based hedge fund firm. The company has recently come under investigation by state and federal authorities for the apparent disappearance of \$440 million in assets.

The State has moved for the appointment of a special master to establish the actual tracing of the funds and assure they are returned to their rightful owners. Bayou Management filed a competing motion to have the seized funds released immediately. The State has opposed this motion on the grounds that it would not protect the ultimate investors of the funds. A hearing is set for September 1 in Maricopa County Superior Court.

"This case is so complicated that the court is the appropriate place to sort it out," Goddard said. "The court can determine through a series of hearings the rightful owners and can return the money accordingly."

The assets were seized in May 2005 after an investigation indicated the funds might be involved in a complex financial fraud. The money was taken from an account at Wachovia Bank, a company which does business in Arizona.

"This case had all the characteristics of what's known in the financial community as a prime bank instrument fraud scheme," Goddard said. "We saw a number of suspicious transfers, and decided seizing the monies was the best way to stop a potential crime and identify the rightful owners."

This case came to the attention of the Attorney General's Office through comments made within a network of fraud investigators, who include Cameron Holmes, chief counsel for the Office's Financial Remedies Section.

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